

**FEE TRANSMITTAL**

For FY 2008

**MAIL STOP Appeal Brief***Complete If Known*

Application No.	09/779,950
Filing Date	February 9, 2001
First Named Inventor	Nigel KNIGHT
Examiner Name	Daniel S. Felten
Art Unit	3693
Attorney Docket No.	72167.000237

☐ Applicant claims small entity status. See 37 CFR 1.27**Total Amount Of Payment** (\$) **510.00****METHOD OF PAYMENT** (check all that apply)

- ☐ Check ☐ Credit Card ☐ Money Order ☐ None ☐ Other (identify): \_\_\_\_\_
- ☒ Deposit Account Deposit Account Number **50-0206** Deposit Account Name: **Hunton & Williams LLP**
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- ☒ Charge fee(s) indicated below. ☐ Charge fee(s) indicated below, **except for the filing fee**
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**FEE CALCULATION(All the fees below are due upon filing or may be subject to a surcharge.)****1. BASIC FILING, SEARCH AND EXAMINATION FEES**

Application Type	FILING FEES		SEARCH FEES		EXAMINATION FEES		Fees Paid (\$)
	Small Entity	Fee (\$)	Small Entity	Fee (\$)	Small Entity	Fee (\$)	
Utility	310.00	155.00	510.00	255.00	210.00	105.00	
Design	210.00	105.00	100.00	50.00	130.00	65.00	
Plant	210.00	105.00	300.00	155.00	160.00	80.00	
Reissue	310.00	155.00	500.00	255.00	620.00	310.00	
Provisional	210.00	105.00	0.00	0.00	0.00	0.00	

**2. EXCESS CLAIMS FEES**

For	Number Present	Highest Number Paid For	Extra	Fees (\$)	Small Entity Fee (\$)	Fees Paid (\$)
Total Claims	33	62	0	50.00	25.00	0.00
Independent Claims	2	3	0	210.00	100.00	0.00
Multiple Dependent Claim				360.00	180.00	
Total Excess Claims Fees						0.00


**3. APPLICATION SIZE FEE** (if the specification and drawings exceed 100 sheets of paper, the application size fee due is \$250 (\$125 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).)

Total Sheets	Extra Sheets	No. of Each Additional 50 or Fraction Thereof	Fees (\$)	Small Entity Fee (\$)	Fees Paid (\$)
_____ - 100 = _____ / 50 = _____ (round up to a whole number) x			250.00	125.00	

**4. OTHER FEE(S)**

- ☐ Non-English Specification (no small entity discount)
- ☐ Surcharge - late filing fee or oath
- ☐ Surcharge - late provisional filing fee or cover sheet
- ☐ One Month Extension of Time
- ☐ Submission of Information Disclosure Statement
- ☐ Notice of Appeal
- ☐ Request for Oral Hearing
- ☒ Filing Brief In Support of Appeal **\$510.00**
- ☐ Filing Submission After Final Rejection
- ☐ Utility Issue Fee (or Reissue) (including Publication Fee, if necessary)
- ☐ Design Issue Fee
- ☐ Plant Issue Fee
- ☐ Petition to Commissioner
- ☐ Petition to Revive (Unavoidable)
- ☐ Petition to Revive (Unintentional)
- ☐ Petitions Related to Provisional Applications
- ☐ Recording Each Patent Assignment Per Property
- ☐ Other (please specify)

**SUBMITTED BY**

Signature		Registration No.	44,487	Telephone	(202) 955-1966
Typed or Printed Name	Yisun Song	Date	May 27, 2008		

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number : 09/779,950                      Confirmation No.: 7569  
Applicant : Nigel KNIGHT  
Filed : February 9, 2001  
Title : INTERNATIONAL BANKING SYSTEM AND METHOD  
TC/Art Unit : 3693  
Examiner: : Felten, Daniel S.  
  
Docket No. : 72167.000237  
Customer No. : **21967**

**APPEAL BRIEF**

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number	: 09/779,950	Confirmation No.:	7569
Applicant	: Nigel KNIGHT		
Filed	: February 9, 2001		
Title	: INTERNATIONAL BANKING SYSTEM AND METHOD		
TC/Art Unit	: 3693		
Examiner:	: Felten, Daniel S.		
Docket No.	: 72167.000237		
Customer No.	: 21967		

**APPEAL BRIEF**

Appellants' Appeal Brief in connection with the above-captioned patent application with the requisite fee in accordance with 37 C.F.R. § 1.17(c) are hereby submitted. A Notice of Appeal was filed March 25, 2008. Each item required by 37 C.F.R. § 41.37 is set forth below. Appellants believe that no additional fees are deemed necessary, however if there are any deficiencies, please charge the undersigned's Deposit Account No. 50-0206.

In response to the Office Action dated December 31, 2007 ("Office Action"), rejecting pending claims 1-18 and claims 45-59, Appellants respectfully request that the Board of Patent Appeals and Interferences reconsider and withdraw the rejections of record, and allow the pending claims, which are attached hereto as Claims Appendix, Section IX.

**I. Real Party In Interest**

The real party in interest is JP Morgan Chase Bank, N.A. as assignee of the entire interest in the above-referenced application, assigned by its inventors.

**II. Related Appeals And Interferences**

There are no known related appeals or interferences.

### III. Status Of Claims

Claims 1-18 and 45-59 are currently rejected under 35 U.S.C. § 103(a) as being allegedly unpatentable over U.S. Patent Application No. 2001/0032139 to Debonnett ("Debonnett").

The rejection of claims 1-18 and 45-59 is appealed.

### IV. Status Of Amendments

No amendments to the claims have been filed after the last rejection.

### V. Summary Of Claimed Subject Matter

#### A. Summary of the Invention

An embodiment of the present invention is directed to a system by which a provider bank may effectuate international banking transactions for a plurality of customers of a client bank.

An exemplary embodiment of the claimed invention is illustrated in Figure 2 of the instant application, reproduced below.

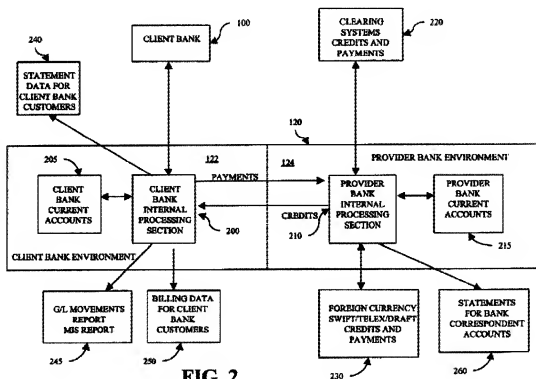


FIG. 2



According to an exemplary application, Figure 2 of Appellants' disclosure illustrates a client bank subsystem 122 established within a provider bank 120 comprising a plurality of customer accounts 205 corresponding to the plurality of customers of the client bank 100. The client bank may refer to a bank without the international presence where as the provider bank may refer to the bank implementing the system and method of the present inventions. *See* p. 2, ll. 15-20. A client bank subsystem processor 200 is coupled to the plurality of accounts 205 and coupled to the client bank 100. A provider bank subsystem 124 may be established within the provider bank 120, as supported by Figure 2 above. The client bank 100 may be a smaller local bank without any infrastructure for providing its customers with international banking services, according to one exemplary embodiment of the present invention. *See* p.4, ll. 10-29. In order to initiate an international transaction through the provider bank, the provider bank establishes on its system, a set of accounts for each of the customers of the client bank. *See* p.2, ll. 21-26. In essence, an embodiment of the present inventions provides a new branch of the client bank (the client bank environment) in the system of the provider bank. *See* p. 2, ll. 27-31.

## **B. Embodiments of the Claimed Invention**

### **1. Concise Explanation of Independent Claim 1**

Claim 1 recites a system by which a provider bank effectuates international banking transactions for a plurality of customers of a client bank (*See, e.g.,* Figure 2, element 205, Figure 3, element 300; p. 2, ll. 21-26, p.10, ll. 21-24), the system comprising: a client bank subsystem established within the provider bank (*See, e.g.,* Figure 2, element 122; p. 5, ll. 16-33), the client bank subsystem comprising: a plurality of customer accounts corresponding to the plurality of customers of the client bank (*See, e.g.,* Figure 2, element 205, Figure 3, element 300; p. 5, ll. 19-28), and a client bank subsystem processor (*See, e.g.,* Figure 2, element 200; p. 5, ll. 26-33) coupled to the plurality of customer accounts and coupled to the client bank, the client bank

subsystem processor receiving a payment instruction from the client bank related to a low value payment in a particular country requested by a particular customer of the client bank, the client bank subsystem processor debiting the customer account of the particular customer and generating the low value payment in response to the payment instruction from the client bank (See, e.g., Figure 2, element 200; p. 5, ll. 26-33); and a provider bank subsystem established within the provider bank (See, e.g., Figure 2, element 124; p. 5, ll. 16-33), the provider bank subsystem comprising: a provider bank subsystem processor (See, e.g., Figure 2, element 210; p. 5, ll. 24-33) coupled to the client bank subsystem processor and coupled to a low value payment system in the particular country, the provider bank subsystem processor receiving the low value payment from the client bank subsystem processor and transmitting the low value payment to the low value payment system in the particular country, whereby the particular customer of the client bank can make the low value payment even though the client bank does not have direct access to the low value payment system in the particular country. (See, e.g., Figure 3, element 340; p. 10, ll. 3-15).

## **2. Concise Explanation of Dependent Claim 2**

Claim 2, which depends from claim 1, recites that the low value payment is for less than 50,000 United States dollars. (See, e.g., p. 10, ll. 3-5).

## **3. Concise Explanation of Dependent Claim 3**

Claim 3, which depends from claim 1, recites that the low value payment system comprises a international Automated Clearing House (ACH) system. (See, e.g., Figure 1, elements 140 and 150; p. 10, ll. 16-18).

## **4. Concise Explanation of Dependent Claim 4**

Claim 4, which depends from claim 1, recites that the low value payment system comprises a GIRO system. (See, e.g., p. 10, ll. 16-19).

**5. Concise Explanation of Dependent Claim 5**

Claim 5, which depends from claim 1, recites that the system of claim 1 further comprises a local branch of the provider bank in the particular country. The subsystem processor of the provider bank is coupled to the low value payment system through the local branch. (*See, e.g.*, Figure 3, element 350; p. 10, ll. 5-10, and p. 10, ll. 24-26).

**6. Concise Explanation of Dependent Claim 6**

Claim 6, which depends from claim 1, recites that the provider bank subsystem processor is coupled to the low value payment system through a correspondent bank in the particular country. (*See, e.g.*, Figure 3, element 340; p. 10, ll. 3-15).

**7. Concise Explanation of Dependent Claim 7**

Claim 7, which depends from claim 1, recites that the system of claim 1 further comprises a gateway processor coupled to the client bank and coupled to the client bank subsystem processor (*See, e.g.*, Figure 3, element 320; p. 9, ll. 19-30), wherein the client bank transmits a payment file to the gateway processor (*See, e.g.*, Figure 3, element 310; p. 8, ll. 21-24, p. 9, ll. 19-21), the payment file containing a plurality of payment instructions (*See, e.g.*, Figure 3, element 310; p. 8, ll. 21-31), and wherein the gateway processor separates the plurality of payment instructions from the payment file and communicates the separated payment instructions to the client bank subsystem processor. (*See, e.g.*, Figure 3, element 310; p. 9, ll. 27-31).

**8. Concise Explanation of Dependent Claim 8**

Claim 8, which depends from claim 7, recites that the plurality of payment instructions relate to more than one of the plurality of customers of the client bank. (*See, e.g.*, Figure 3, element 310; p. 8, ll. 16-25).

**9. Concise Explanation of Dependent Claim 9**

Claim 9, which depends from claim 7, recites that the payment file is encrypted. (*See, e.g.*, Figure 3, element 310; p. 9, ll. 1-9).

#### **10. Concise Explanation of Dependent Claim 10**

Claim 10, which depends from claim 1, recites that there is a second client bank having a second plurality of customers (*See, e.g.*, p. 6, ll. 30-34), the system further comprising: a second client bank subsystem established within the provider bank (*See, e.g.*, Figure 2, element 122; p. 5, ll. 16-33, p. 6, ll. 30-34), the second client bank subsystem comprising: a second plurality of customer accounts corresponding to the second plurality of customers of the second client bank (*See, e.g.*, Figure 2, element 205, Figure 3, element 300; p. 5, ll. 19-28), and a second client bank subsystem processor (*See, e.g.*, Figure 2, element 200; p. 5, ll. 26-33) coupled to the second plurality of customer accounts, coupled to the second client bank and coupled to the provider bank subsystem processor, wherein the second client bank subsystem processor and the provider bank subsystem processor operate to effectuate low value payments in response to instructions from the second client bank. (*See, e.g.*, Figure 3, element 340; p. 10, ll. 3-15)

#### **11. Concise Explanation of Dependent Claim 11**

Claim 11, which depends from claim 1, recites that the payment instruction from the client bank relates to a high value payment. The provider bank subsystem processor is further coupled to a high value clearing system, the provider bank subsystem processor communicating the high value payment to the high value clearing system. (*See, e.g.*, Figure 3, element 120; p. 3, ll. 10-17, p. 10, ll. 27-32).

#### **12. Concise Explanation of Dependent Claim 12**

Claim 12, which depends from claim 11, recites that the high value clearing system is selected from the group consisting of a Real-Time Gross Settlement system, a Multi-Lateral Net Settlement system, European Banking Association Euro clearing system, and the Trans-

European Automated Real-time Gross settlement Express Transfer system. (*See, e.g.*, Figure 3; p. 10, ll. 28-32).

**13. Concise Explanation of Dependent Claim 13**

Claim 13, which depends from claim 11, recites that the provider bank subsystem processor further performs a foreign exchange operation with respect to the high value payment prior to communicating the high value payment to the high value clearing system. (*See, e.g.*, p. 5, ll. 20-26).

**14. Concise Explanation of Dependent Claim 14**

Claim 14, which depends from claim 1, recites that the provider bank provides liquidity management services with respect to the plurality of customer accounts. (*See, e.g.*, Figure 5; p. 3, ll. 18-21, and p. 13, l. 1- p. 14 l. 4).

**15. Concise Explanation of Dependent Claim 15**

Claim 15, which depends from claim 14, recites that the liquidity management services include account balance sweeping. (*See, e.g.*, Figure 5; p. 13, ll. 5-23).

**16. Concise Explanation of Dependent Claim 16**

Claim 16, which depends from claim 15, recites that the account balance sweeping is zero balance sweeping. (*See, e.g.*, Figure 5; p. 13, ll. 11-23).

**17. Concise Explanation of Dependent Claim 17**

Claim 17, which depends from claim 15, recites that the account balance sweeping is target balance sweeping. (*See, e.g.*, Figure 5; p. 13, ll. 11-23).

**18. Concise Explanation of Dependent Claim 18**

Claim 18, which depends from claim 14, recites that the liquidity management services includes account pooling. (*See, e.g.*, Figure 5; p. 13, l. 24 - p. 14, l. 4).

**19. Concise Explanation of Independent Claim 45**

Claim 45 recites a method by which a provider bank effectuates international banking transactions for a plurality of customers of a client bank (*See, e.g.*, Figure 2, element 205, Figure 3, element 300; p. 2, ll. 21-26, p.10, ll. 21-24), the method comprising: establishing a client bank subsystem within the provider bank; (*See, e.g.*, Figure 2, element 122; p. 5, ll. 16-33) establishing a plurality of customer accounts within the client bank subsystem, the plurality of customer accounts corresponding to the plurality of customers of the client bank; (*See, e.g.*, Figure 2, element 205, Figure 3, element 300; p. 5, ll. 19-28) receiving a payment instruction from the client bank related to a low value payment in a particular country requested by a particular customer of the client bank; debiting the customer account of the particular customer; generating the low value payment in response to the payment instruction from the client bank; (*See, e.g.*, Figure 2, element 200; p. 5, ll. 26-33) establishing a provider bank subsystem within the provider bank; (*See, e.g.*, Figure 2, element 124; p. 5, ll. 16-33) receiving the low value payment from the client bank subsystem; (*See, e.g.*, Figure 3, element 330; p. 5, ll. 6-12, p. 10, ll. 3-15) transmitting the low value payment to the low value payment system in the particular country, whereby the particular customer of the client bank can make the low value payment even though the client bank does not have direct access to the low value payment system in the particular country. (*See, e.g.*, Figure 3, element 340; p. 10, ll. 3-15).

**20. Concise Explanation of Dependent Claim 46**

Claim 46, which depends from claim 45, recites that the low value payment is for less than 50,000 United States dollars. (*See, e.g.*, p. 10, ll. 3-5).

**21. Concise Explanation of Dependent Claim 47**

Claim 47, which depends from claim 45, recites that the low value payment system comprises a international Automated Clearing House (ACH) system. (*See, e.g.*, Figure 1, elements 140 and 150; p. 10, ll. 16-18).

**22. Concise Explanation of Dependent Claim 48**

Claim 48, which depends from claim 45, recites that the low value payment system comprises a GIRO system. (*See, e.g.*, Figure 3; p. 10, ll. 16-19).

**23. Concise Explanation of Dependent Claim 49**

Claim 49, which depends from claim 1, recites that transmitting the low value payment to the low value payment system in the particular country further comprises transmitting the low value payment to a local branch of the provider bank in the particular country. The local branch transmits the low value payment to the low value payment system. (*See, e.g.*, Figure 3, element 350; p. 10, ll. 5-10, and p. 10, ll. 24-26).

**24. Concise Explanation of Dependent Claim 50**

Claim 50, which depends from claim 45 recites that transmitting the low value payment to the low value payment system in the particular country further comprises transmitting the low value payment to a correspondent bank in the particular country, wherein the local correspondent bank transmits the low value payment to the low value payment system. (*See, e.g.*, Figure 3, element 340; p. 10, ll. 3-15).

**25. Concise Explanation of Dependent Claim 51**

Claim 51, which depends from claim 45 recites that the method of 45 further comprises transmitting a payment file from the client bank to a gateway processor (*See, e.g.*, Figure 3, element 310; p. 8, ll. 21-24, p. 9, ll. 19-21), the payment file containing a plurality of payment instructions (*See, e.g.*, Figure 3, element 310; p. 8, ll. 21-31); separating, in the gateway processor, the plurality of payment instructions from the payment file; and communicating the separated payment instructions to the client bank subsystem. (*See, e.g.*, Figure 3, element 310; p. 9, ll. 27-31)

**26. Concise Explanation of Dependent Claim 52**

Claim 52, which depends from claim 45 recites that there is a second client bank having a second plurality of customers (*See, e.g.*, p. 6, ll. 30-34), the method further comprising: establishing a second client bank subsystem within the provider bank (*See, e.g.*, Figure 2, element 122; p. 5, ll. 16-33, p. 6, ll. 30-34); and establishing a second plurality of customer accounts corresponding to the second plurality of customers of the second client bank (*See, e.g.*, Figure 2, element 205, Figure 3, element 300; p. 5, ll. 19-28); wherein the second client bank subsystem and the provider bank subsystem operate to effectuate low value payments in response to instructions from the second client bank. (*See, e.g.*, Figure 3, element 340; p. 10, ll. 3-15)

**27. Concise Explanation of Dependent Claim 53**

Claim 53, which depends from claim 45 recites that the payment instruction from the client bank relates to a high value payment, the method further comprising communicating the high value payment to a high value clearing system. (*See, e.g.*, Figure 3, element 120; p. 3, ll. 10-17, p. 10, ll. 27-32).

**28. Concise Explanation of Dependent Claim 54**

Claim 54, which depends from claim 53 recites that claim 53 further comprises performing a foreign exchange operation with respect to the high value payment prior to communicating the high value payment to the high value clearing system. (*See, e.g.*, p. 5, ll. 20-26).

**29. Concise Explanation of Dependent Claim 55**

Claim 55, which depends from claim 45, recites that the method performs liquidity management services with respect to the plurality of customer accounts. (*See, e.g.*, Figure 5; p. 3, ll. 18-21, p. 13, l. 1- p. 14 l. 4).

**30. Concise Explanation of Dependent Claim 56**



Claim 56, which depends from claim 55, recites that performing liquidity management services further comprises performing account balance sweeping. (*See, e.g.*, Figure 5; p. 13, ll. 5-23).

**31. Concise Explanation of Dependent Claim 57**

Claim 57, which depends from claim 56, recites that account balance sweeping further comprises performing zero balance sweeping. (*See, e.g.*, Figure 5; p. 13, ll. 11-23).

**32. Concise Explanation of Dependent Claim 58**

Claim 58, which depends from claim 56, recites that account balance sweeping further comprises performing target balance sweeping. (*See, e.g.*, Figure 5; p. 13, ll. 11-23).

**33. Concise Explanation of Dependent Claim 59**

Claim 59, which depends from claim 55, recites that performing liquidity management services further comprises performing account pooling. (*See, e.g.*, Figure 5; p. 13, l. 24 - p. 14, l. 4).

**VI. Grounds Of Rejection To Be Reviewed On Appeal**

The following grounds of rejection are to be reviewed on appeal:

The rejections of claims 1-18 and 45-59 under 35 U.S.C. § 103(a) as being allegedly unpatentable over U.S. Patent Application No. 2001/0032139 to Debonnett ("Debonnett").

None of the claims stand or fall together. The reasons why each claim is separately patentable are presented in the Arguments section below.

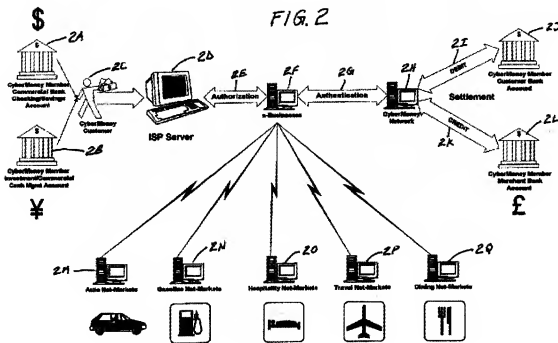
**VII. Argument**

The rejections against the pending claims under consideration in the above-captioned patent application should be reversed for at least the reasons set forth below.

**A. Brief Description of the Art Applied to the Claims**

U.S. Patent Application No. 2001/0032139 to Debonnett ("Debonnett")

Debonnett appears to be directed to a system for Internet based payments, e.g., Cybermoney network. *See* Abstract. Debonnett's system purports to be predicated on an agnostic demand deposit and cash management account connectivity interface for payment and settlement of goods and services purchased over the Internet. *Id.* The network interface of Debonnett purports to provide for connection to commercial/investment bank checking, savings, merchant or cash management accounts for payment. *Id.* As further illustrated by Figure 2 of Debonnett, reproduced below, customer 2C makes a transaction to buy goods from an Internet merchant. *See* paragraph [0024] of Debonnett. Further, according to back-office settlement procedures, customer account 2J is debited 2I and merchant account 2L is credited 2K. *See* paragraph [0025] of Debonnett.



**B. Summary of the Argument**

The rejection of claims 1-18 and 45-59 under 35 U.S.C. §103(a) is improper because the rejection fails to comply with MPEP 706.02(j). The Office Action fails to (1) identify the relevant teaching of the primary reference Debonnett; (2) identify the differences between the claims and the disclosure of Debonnett; (3) identify the proposed modification; and (4) provide any motivation for modifying Debonnett. Moreover, the primary reference, Debonnett, is not valid prior art.

The rejection of claims 1-18 and 45-59 under 35 U.S.C. §103(a) as being unpatentable over Debonnett is improper because Debonnett fails to make obvious each and every claim limitation as recited by Appellants.

**C. The Office Fails to Provide the Proper Analysis As Required by MPEP 706.02(j)**

The Office Action fails to establish a *prima facie* case of obviousness that the pending claims are unpatentable over Debonnett. "During patent examination the PTO bears the initial burden of presenting a *prima facie* case of unpatentability." *In re Glaug*, 283 F.3d 1135, 62 U.S.P.Q.2d 1151, 1152 (Fed. Cir. 2002). "If the PTO fails to meet this burden, then the applicant is entitled to the patent." *Id.* "To support the conclusion that the claimed combination is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed combination or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." *Ex parte Clapp*, 227 U.S.P.Q. 972, 973 (Bd. Pat. App. & Int. 1985).

The rejection of claims 1-18 and 45-59 under 35 U.S.C. §103(a) as being unpatentable over Debonnett is not properly supported as required by MPEP 706.02(j) and thus fails to establish a *prima facie* case of obviousness. MPEP 706.02(j) states:

35 U.S.C. 103 authorizes a rejection where, to meet the claim, it is necessary to modify a single reference or to combine it with one or more other references. After indicating that the rejection is under 35 U.S.C. 103, the examiner should set forth in the Office action: (A) the relevant teachings of the prior art relied upon, preferably with reference to the relevant column or page number(s) and line number(s) where appropriate, (B) the difference or differences in the claim over the applied reference(s), (C) the proposed modification of the applied reference(s) necessary to arrive at the claimed subject matter, and (D) an explanation as to why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made.

Appellants respectfully submit that the Office Action is entirely devoid of any statements with reference to the required elements above.<sup>1</sup> “The ‘prima facie case’ notion ... seemingly was intended to leave no doubt among examiners that they must state clearly and specifically any objections (the prima facie case) to patentability, and give the applicant fair opportunity to meet those objections with evidence and argument.” *In re Oetiker*, 977 F.2d 1443, 24 U.S.P.Q.2d 1443, 1447 (Fed. Cir. 1992)(Plager, J., concurring). The Office Action fails to rely on any relevant disclosure of Debonnett. Moreover, the Office Action does not mention any differences in the claims over the applied references, any modifications of the applied reference necessary to arrive at the claimed subject matter, and the Office Action fails to provide an explanation as to why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made. As the Office has not presented a *prima facie* case of unpatentability, Appellants are entitled to a patent.

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<sup>1</sup> Appellants note that the prior Office Action, mailed on July 6, 2007, is virtually identical to the present Office Action and thus contains the same deficiencies as mentioned in the prior response.

**1. The Office Action Fails to Rely on Any Relevant Teaching of the Prior Art**

The Office Action makes no attempt to explain the relevance of any teachings of the applied references with regard to the claimed inventions. Rather, the rejection merely states that the reference teaches certain elements of the claimed invention and supports these statements with vague citations to the applied reference. “The pertinence of each reference, if not apparent, must be clearly explained.” 37 C.F.R. § 1.104(c)(2). The mere citations to the applied reference do not present a convincing line of reasoning as to why an artisan would have found the claimed invention to have been obvious in light of the teachings of the applied reference. The Office Action merely repeats independent claim 1 with no explanation as to how the teaching of Debonnett even applies to any element.

**2. The Office Fails To Identify The Differences Between the Claimed Inventions and the Disclosure of Debonnett**

Inherent in a rejection under 35 U.S.C. 103 is the implication that “to meet the claim, it is necessary to modify a single reference or to combine it with one or more other references.” *See* MPEP 706.02(j). The Office Action has summarily rejected all the pending claims under an obviousness rejection. By relying on a single reference for an obviousness rejection, the Office concedes that Debonnett by itself fails to teach each and every claim limitation as recited by Appellants. However, in this case, the Office has failed to identify the differences between the claimed inventions and the disclosure of Debonnett. Without the proper analysis, Appellants are not given a fair opportunity to properly address the alleged obviousness rejection.

**3. The Office Action Does Not Identify the Proposed Modification**

Also missing from the Office’s analysis is any proposed modification to Debonnett. The Office acknowledges that Debonnett is deficient in meeting each and every claim limitation of Debonnett. However, there is absolutely no discussion of how Debonnett should be modified to

meet the claimed inventions. Appellants submit that the disclosure of Debonnett and the claimed inventions are directed to different endeavors. Specifically, the claimed inventions are directed to effectuating international banking transactions while Debonnett is directed to Internet transactions through a network. Therefore, the Office Action's lack of any proposed modification supports the understanding that one skilled in the art would not have been motivated to modify Debonnett because doing so would require a complete restructuring of the system of Debonnett that would defeat its purpose.

#### 4. The Office Action Makes No Mention Or Any Attempt To Provide A Statement of Motivation

Not only does the Office Action fail to articulate any proposed modification to Debonnett, the Office Action does not provide *any* statement of motivation. As stated in MPEP 2143, "[t]he key to supporting any rejection under 35 U.S.C. § 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious." Appellants respectfully submit the Office Action fails to articulate a reason why the claimed invention would have been obvious to one skilled in the art. As MPEP 2142 states:

The Supreme Court in *KSR International Co. v. Teleflex Inc.*, 550 U.S. \_\_\_, \_\_\_, 82 USPQ2d 1385, 1395-97 (2007) identified a number of rationales to support a conclusion of obviousness which are consistent with the proper 'functional approach' to the determination of obviousness as laid down in *Graham*. The key to supporting any rejection under 35 U.S.C. 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious. **The Supreme Court in KSR noted that the analysis supporting a rejection under 35 U.S.C. 103 should be made explicit.**

MPEP 2142 (emphasis added). Appellants submit that the Office Action fails to present the analysis supporting a rejection under 35 U.S.C. 103.

"The Federal Circuit has stated that 'rejections on obviousness cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some

rational underpinning to support the legal conclusion of obviousness.” MPEP 2142 (quoting *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)). See also *KSR*, 550 U.S. at \_\_\_, 82 USPQ2d at 1396 (quoting Federal Circuit statement with approval). In the current Office Action, Appellants are not challenging the insufficiency of a statement of motivation, but rather the complete absence of any statement of motivation whatsoever. **No** statement of motivation was provided as to why the present inventions would have been obvious. Accordingly, the rejection under 35 U.S.C. 103 is improper and Appellants respectfully request its withdrawal.

By applying Debonnett under 35 U.S.C. § 103(a), the Office Action recognizes that there are deficiencies in the applied reference. However, the Office Action fails to identify the missing claim limitations of Debonnett, propose a modification to Debonnett, and makes no mention or any attempt to provide a statement of motivation, as required for a proper rejection under 35 U.S.C. § 103(a). Accordingly, despite repeated requests for a proper analysis in the Responses filed October 2, 2006 and October 5, 2007, the Office continues to provide no such statement of motivation. As no motivation is provided by the Office Action, it can only be inferred that no motivation to modify Debonnett exists nor would one skilled in the art have been motivated to modify Debonnett to meet the combination of claim limitations set forth by Applicants. Therefore, the Office Action has clearly failed to meet its burden.

**5. The Office Action Fails to Acknowledge Appellants’ Arguments As Required By MPEP 707.07(f)**

MPEP 707.07(f) recites:

In order to provide a complete application file history and to enhance the clarity of the prosecution history record, **an examiner must provide clear explanations of all actions taken by the examiner** during prosecution of an application. Where the requirements are traversed, or suspension thereof requested, the examiner should make proper reference thereto in his or her action

on the amendment. **Where the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it.** (emphasis added).

Appellants respectfully submit the current rejection is a clear repetition of the prior rejection with absolutely no acknowledgement of the Appellants' arguments. In response to the prior Office Action of July 6, 2007, Appellants provided additional arguments regarding the Office's reliance on improper prior art. *See* Response filed October 5, 2007. Specifically, Appellants challenged the lack of support in the provisional filing of Debonnett thereby removing Debonnett as valid prior art. *See Infra* Section VII.D. In response, the Office merely repeats the same rejections from the prior Office Action without any acknowledgement of Appellants' arguments concerning Debonnett as invalid prior art. The Office has improperly ignored Appellants' arguments.

#### **D. Debonnett Is Not Valid Prior Art**

The Office Action relies on certain excerpts from Debonnett that are not supported by an earlier provisional filing (Application Serial 60/168,888, filed December 3, 1999) to reject all the pending claims. Accordingly, Debonnett's disclosure relied upon by the Office Action should be given the later utility filing date of November 30, 2000. In contrast, the present application claims priority to a provisional application - 60/182,469, filed February 15, 2000 - and the claimed inventions are fully supported by the earlier filing date. Accordingly, as the Debonnett disclosure relied upon by the Office has an effective filing date of November 30, 2000 while the present application has an earlier effective filing date of February 15, 2000, Appellants submit that Debonnett is not proper prior art and any rejection based on Debonnett should be withdrawn. Moreover, the Office Action has not challenged Appellants' assertion that Debonnett lacks support in the earlier provisional application. As the Office Action provides no challenge, it can



only be inferred that the Office is in agreement. Therefore, Debonnett should be removed as valid prior art.

More specifically, the Office Action -- without any argument, explanation or analysis -- relies on paragraph 25 of Debonnett to meet certain claim elements. *See* Office Action at 3. At least this paragraph relied upon by the Office Action is not supported by the earlier provisional filing. Specifically, paragraph 25 of Debonnett recites:

[a]ccording to back-office settlement procedures jointly prescribed by the network, customer commercial/investment bank and merchant commercial investment bank, account reconciliation and settlement whereby customer account 25 is debited 21 and merchant account 2L is credited 2K. Examples of various web merchants or exchange markets such as automobile 2M, gasoline 2N, hotel and hospitality 20, travel 2P and dining 24, are some of the many merchant/eBusinesses that would benefit from this invention process.

Appellants have reviewed Debonnett's U.S. Provisional Patent Application, 60/168,888 for support for "back-office settlement procedures jointly prescribed by the network" and have found none. *See* Debonnett Provisional Application, Evidence Appendix Section X. Furthermore, Debonnett's U.S. Provisional Patent Application, 60/168,888 provides support for only online merchants and not for "exchange markets such as automobile 2M, gasoline 2N, hotel and hospitality 20, travel 2P and dining 24, are some of the many merchant[s]." In particular, the page of the provisional application (labeled 11 International CYBERBANQUE, LTD BUSINESS CASE) states explicitly "[t]he Company proposes creation of a system of online CyberMoney™ accounts, **used solely online, for goods and services purchased, viewed and delivered online**, throughout the world." (page 4 of provisional, emphasis added).

Furthermore, there are statements throughout the provisional application emphasizing online e-commerce, such as in the Corporate Strategy section on page 7 ("[t]his relationship will

fulfill a great opportunity and need of investment banking clients to utilize cash management and brokerage accounts for payment of goods and services over the Internet.”) Additionally, the advantages section on page 11 of the provisional espouses the advantages of Internet e-commerce. Clearly the provisional application of Debonnett is directed to online merchant transactions and not merchants or “exchange markets such as automobile 2M, gasoline 2N, hotel and hospitality 2O, travel 2P and dining 2Q,” as recited in paragraph 25 of the later filed utility application. Accordingly, the disclosure relied upon by the Office Action is limited to the later filing date of the utility application in which it is contained. Moreover, the corresponding figures of Debonnett are also similarly not supported by the earlier provisional filing.

In contrast, claim 1 finds support in the present application’s provisional application at least at pages 5, 9, 11, 27, 28, 31, 33-40, 55-60, 62-63, 65-75, 84-86, 103, 118, 136, 139 and 141-151.<sup>2</sup> Thus, since the Office Action must rely on Debonnett’s utility application filing date of November 30, 2000 which is **after** the U.S. Provisional Patent Application, 60/182,469, filed February 15, 2000, to which the present application claims priority, the 35 U.S.C. 103(a) rejection of claims 1-18 and 45-59 relying on Debonnett is improper and should be withdrawn.

**E. Independent Claim 1 is Patentable Over Debonnett**

The Office maintains the rejection based on Debonnett without acknowledging Appellants’ arguments concerning Debonnett as improper prior art and further without a proper

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<sup>2</sup> The Office Action mailed December 31, 2007 does not challenge Appellants’ support in the earlier provisional application. As no such opposition has been stated, it is believed that the Office is in agreement that the disclosure of the instant applications is supported by the earlier provisional filing date. Accordingly, Debonnett is not valid prior art and should be withdrawn.

obviousness analysis. Assuming *arguendo* that Debonnett is valid prior art - which it is not - Debonnett fails to obviate the inventions recited in Appellants' pending claims.

The Office Action alleges that Debonnett discloses "a system by which a provider bank effectuates international banking transactions for a plurality of customers of a client bank," as recited in independent claim 1. The Office Action relies on paragraphs 0041-0042 to support this allegation. *See* Office Action at 2. However, the relied upon excerpts generally discuss Internet transactions. *See* [0041] ("The seamless network topology enhances the customers' experience with business-to-business transactions between merchant supply chains 6G and web merchants 2F."). More importantly, Debonnett fails to provide any meaningful discussion regarding a system that "effectuates international banking transactions." In contrast, Debonnett is directed to an interface for the payment and settlement of goods and services purchased via the Internet. *See* Abstract.

The Office Action alleges that Debonnett teaches the claimed client bank by referring to commercial bank 36. Office Action at 2. However, the disclosure of Debonnett fails to even disclose a reference number 36. It is unclear how this claim element is met by Debonnett. The Office Action offers no explanation.

Debonnett also fails to disclose "a client bank subsystem" and "a provider bank subsystem" both within a provider bank. More specifically, Debonnett makes no disclosure or any teaching directed to "*a client bank subsystem* established within the provider bank, the client bank subsystem comprising: *a plurality of customer accounts* corresponding to the plurality of customers of the client bank, and *a client bank subsystem processor* coupled to the plurality of customer accounts and coupled to the client bank." The Office Action relies on paragraphs 0005-0006 and 0024 for this combination of claim limitations. Paragraphs 0005 and

0006 provide vague descriptions of the online banking initiatives of Debonnett but fail to provide any details concerning any infrastructure. These summary paragraphs are simply devoid of any details that would support the claimed “client bank subsystem.” Paragraph 00024 discusses a user selecting “the seamless payment and settlement network as payment option of choice.” Again, this disclosure fails to provide any details that could support the claimed client bank subsystem. The Office Action has failed to provide any supporting explanation.

In addition, Debonnett fails to make any disclosure or teaching directed to “a provider bank subsystem established within the provider bank, the provider bank subsystem comprising: a provider bank subsystem processor coupled to the client bank subsystem processor and coupled to a low value payment system in the particular country.” For this limitation, the Office Action instructs the Appellants to “see paras 0025+” without any explanation. *See* Office Action at 3. Paragraphs [0025] through [0043] of Debonnett fail to provide any disclosure that supports the provider bank subsystem as recited in independent claim 1. The disclosure of Debonnett is directed to a payment and settlement network that supports Internet transactions. Debonnett does not provide any discussion directed to a system that effectuates international banking transactions as recited by independent claim 1. As the structure and intent of Debonnett is strikingly different from the claimed inventions, Debonnett’s disclosure fails to meet the claim recitation directed to “the particular customer of the client bank can make the low value payment even though the client bank does not have direct access to the low value payment system in the particular country.” The system of Debonnett simply cannot perform this claimed feature.

As stated in MPEP § 2143.03, to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). That is, “[a]ll words in a claim must be considered in

judging the patentability of that claim against the prior art.” *In re Wilson*, 424 F.2d 1382, 165 USPQ 494, 496 (CCPA 1970). Accordingly, for at least the above reasons, the Appellants respectfully request the reversal of the rejection of independent claim 1 under 35 U.S.C. § 103(a).

**F. Independent Claim 45 is Patentable Over Debonnett**

The Office Action fails to provide any analysis concerning independent claim 45. Again, the Office maintains the rejection based on Debonnett without acknowledging Appellants’ arguments concerning Debonnett as improper prior art and further without a proper obviousness analysis. Assuming *arguendo* that Debonnett is valid prior art - which it is not - Debonnett fails to obviate the inventions recited in Appellants’ pending claims.

The Office Action alleges that Debonnett discloses a “method by which a provider bank effectuates international banking transactions for a plurality of customers of a client bank,” as recited in independent claim 45. As discussed above, the Office Action’s reliance on paragraphs 0041-0042 is improper. The relied upon excerpts generally discuss Internet transactions. *See* [0041] (“The seamless network topology enhances the customers’ experience with business-to-business transactions between merchant supply chains 6G and web merchants 2F.”). More importantly, Debonnett fails to provide any meaningful discussion regarding a system that “effectuates international banking transactions.” In contrast, Debonnett is directed to an interface for the payment and settlement of goods and services purchased via the Internet. *See* Abstract.

The Office Action alleges that Debonnett teaches the claimed client bank by referring to commercial bank 36. Office Action at 2. However, the disclosure of Debonnett fails to even disclose a reference number 36. It is unclear how this claim element is met by Debonnett. The Office Action offers no explanation.

Debonnett also fails to disclose establishing “a client bank subsystem” and “a provider bank subsystem” both within a provider bank. More specifically, Debonnett makes no disclosure or any teaching directed to “establishing a client bank subsystem within the provider bank; establishing *a plurality of customer accounts* within the client bank subsystem, the plurality of customer accounts corresponding to the plurality of customers of the client bank.” The Office Action’s reliance on paragraphs 0005-0006 and 0024 is improper. Paragraphs 0005 and 0006 provide vague descriptions of the online banking initiatives of Debonnett but fail to provide any details concerning any infrastructure. These summary paragraphs are simply devoid of any details that would support the claimed “client bank subsystem.” Paragraph 00024 discusses a user selecting “the seamless payment and settlement network as payment option of choice.” Again, this disclosure fails to provide any details that could support the claimed client bank subsystem. The Office Action has failed to provide any supporting explanation. In addition, Debonnett fails to address the additional steps of “receiving a payment instruction from the client bank related to a low value payment in a particular country requested by a particular customer of the client bank;” “debiting the customer account of the particular customer;” and “generating the low value payment in response to the payment instruction from the client bank.”

In addition, Debonnett fails to make any disclosure or teaching directed to “establishing a provider bank subsystem within the provider bank;” “receiving the low value payment from the client bank subsystem;” and “transmitting the low value payment to the low value payment system in the particular country.” Paragraphs [0025] through [0043] of Debonnett fail to provide any disclosure that supports the provider bank subsystem as recited in independent claim 45. The disclosure of Debonnett is directed to a payment and settlement network that supports Internet transactions. Debonnett does not provide any discussion directed to a method by which

a provider bank effectuates international banking transactions for a plurality of customers of a client bank as recited by independent claim 45. As the structure and intent of Debonnett is strikingly different from the claimed inventions, Debonnett's disclosure fails to meet the claim recitation directed to "the particular customer of the client bank can make the low value payment even though the client bank does not have direct access to the low value payment system in the particular country." The system of Debonnett simply cannot perform this claimed feature.

As stated in MPEP § 2143.03, to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). That is, "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 165 USPQ 494, 496 (CCPA 1970). Accordingly, for at least the above reasons, the Appellants respectfully request the reversal of the rejection of independent claim 1 under 35 U.S.C. § 103(a).

**G. The Office Action Improperly Ignores Claims and Claim Limitations**

It is well understood that for a proper rejection, all claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 984-85 (C.C.P.A. 1974); *In re Wilson*, 424 F.2d 1382, 1385 (C.C.P.A. 1970) ("All words in a claim must be considered in judging the patentability of that claim against the prior art."). Hence, the Office Action disregards the above precedent by ignoring the claims. Essentially, the Office Action performs a cursory review of independent claim 1 by making vague and insufficient reference to Debonnett and further effectively ignores independent claim 45 and all dependent claim terms and limitations. The Office Action's complete absence of any analysis concerning claims 2-18 and 45-59 falls far short of complying with the Patent Office's burden to set forth a proper 103 rejection.

The Office Action fails to identify the other claim limitations that are purportedly disclosed by Debonnett and where specifically in Debonnett such limitations may be found. Without this information, Appellants are forced to speculate, making preparation of a complete and proper response virtually impossible. Board precedent clearly favors overturning such vague and equivocal rejections. *See e.g., Ex parte Gambogi*, 62 U.S.P.Q.2d 1209, 1212 (Bd. Pat. App. & Inter. 2001) (“Rejection of claims in patent application ... must be vacated and remanded, since patent examiner has ... not indicated what that prior art would have meant to person of ordinary skill in the art, since examiner has not referred to specific portions of each of cited references, and since rejection therefore requires both Appellants and Board of Patent Appeals and Interferences to speculate ...”).

Moreover, the Office Action is deficient because it asserts an inherency argument without providing the requisite supporting evidence. The Federal Circuit has stated that to establish inherency the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999). The Office Action neither identifies the missing descriptive matter nor asserts that it is necessarily present in the system described in Debonnett. Indeed, there is no way of knowing which specific limitations are deemed inherent and which are deemed disclosed since the Office Action is silent on both counts. Presumably, Appellants must divine whether a particular limitation is disclosed or inherent. Such conclusory statements cannot be relied upon and must be overturned. *In re Lee*, 277 F.3d 1338, 1343-44 (Fed. Cir. 2002) (The PTO “board cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies.”).



Independent claim 45 and dependent claims 2-18 and 46-59 are believed to be patentable for at least the reasons stated above and further in view of the reasons stated below. Dependent claims 2-18 and 46-59 contain additional patentable limitations that have not been addressed by the Office Action. For a proper rejection under 35 U.S.C. § 103, **the burden is upon the Office to show how the claims are unpatentable over the prior art**. The Office has completely failed to do so here. As the burden has not been met, these claims are improperly rejected. For these reasons alone, the rejections should be reversed.

The Office Action provides a cursory rejection of all the limitations of these dependent claims 2-18 and 46-59 and fails to set forth a basis for rejection of each dependent claim. The Office is required to provide a basis for each and every claim limitation, as recognized in MPEP §§ 706.02(j) and 2143.03, and has failed to do so here. In the Responses of October 2, 2006 and October 5, 2007, Appellants have requested a complete and proper examination of all pending claims. The Office has made no meaningful attempt whatsoever to properly address the pending claims. Nevertheless, Appellants maintain that the reference cited fails to provide any disclosure, motivation or suggestion related to the limitations of claims 2-18 and 46-59. The Office fails to provide any analysis to any of the many novel claim limitations of claims 2-18 and 46-59. As the disclosure of Debonnett fails to disclose, teach or suggest the claimed combination of limitations of independent claims 1 and 45, dependent claims 2-18 and 46-59 are similarly not taught or suggested by the references relied upon in the Office Action.

The Office Action conveniently ignores the fact that the burden is upon the Office to establish a *prima facie* case of obvious for all pending claims. For at least these deficiencies alone, the rejections are improper and should be reversed.

**H. The Rejection of Dependent Claims 2-18 and 46-59 is Improper**

As the remaining dependent claims encompass the limitations of independent claims, these claims should be allowed for at least the reasons stated above. Furthermore, the rejection of the dependent claims is also improper procedurally as addressed below. For at least these reasons, Appellants respectfully submit that the rejections of the pending claims are improper and request that they be withdrawn. Additionally, these claims are separately patentable over the Debonnett reference for at least the reasons stated below.

**1. The Office Has Not Addressed Dependent Claims 2-18 and 46-59**

MPEP 707.07(i) recites “[i]n every Office action, each pending claim should be mentioned by number, and its treatment or status given.” While Appellants recognize the claims stand rejected as obvious, the Office has failed to give any basis for these rejections. Clearly the text of the rejection as it stands fails to address elements recited in the dependent claims. Furthermore, these elements are not taught or suggested by Debonnett.

**2. Dependent Claim 2 is Separately Patentable**

Claim 2 is separately patentable because Debonnett fails to disclose a system “wherein the low value payment is for less than 50,000 United States dollars” as recited in claim 2. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 2. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 2.

**3. Dependent Claim 3 is Separately Patentable**

Claim 3 is separately patentable because Debonnett fails to disclose a system “wherein the low value payment system comprises a international Automated Clearing House (ACH) system” as recited in claim 3. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every

element of claim 3. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 3.

**4. Dependent Claim 4 is Separately Patentable**

Claim 4 is separately patentable because Debonnett fails to disclose a system “wherein the low value system comprises a GIRO system” as recited in claim 4. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 4. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 4.

**5. Dependent Claim 5 is Separately Patentable**

Claim 5 is separately patentable because Debonnett fails to disclose “a local branch of the provider bank in the particular country, wherein the provider bank subsystem processor is coupled to the low value payment system through the local branch” as recited in claim 5. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 5. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 5.

**6. Dependent Claim 6 is Separately Patentable**

Claim 6 is separately patentable because Debonnett fails to disclose a system “wherein the provider bank subsystem processor is coupled to the low value payment system through a correspondent bank in the particular country” as recited in claim 6. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 6. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 6.

**7. Dependent Claim 7 is Separately Patentable**

Claim 7 is separately patentable because Debonnett fails to disclose as recited in claim 7:

the system as recited in claim 1, further comprising a gateway processor coupled to the client bank and coupled to the client bank subsystem processor, wherein the client bank transmits a payment file to the gateway processor, the payment file containing a plurality of payment instructions, and wherein the gateway processor separates the plurality of payment instructions from the payment file and communicates the separated payment instructions to the client bank subsystem processor

The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 7. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 7.

**8. Dependent Claim 8 is Separately Patentable**

Claim 8 is separately patentable because Debonnett fails to disclose a system "wherein the plurality of payment instructions relate to more than one of the plurality of customers of the client bank" as recited in claim 8. The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 8. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 8.

**9. Dependent Claim 9 is Separately Patentable**

Claim 9 is separately patentable because Debonnett fails to disclose a system "wherein the payment file is encrypted" as recited in claim 9. The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 9. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 9.

**10. Dependent Claim 10 is Separately Patentable**

Claim 10 is separately patentable because Debonnett fails to disclose a system as recited in claim 10:

wherein there is a second client bank having a second plurality of customers, the system further comprising: a second client bank subsystem established within the provider bank, the second client bank subsystem comprising: a second plurality of customer accounts corresponding to the second plurality of customers of the second client bank, and a second client bank subsystem processor coupled to the second plurality of customer accounts, coupled to the second client bank and coupled to the provider bank subsystem processor, wherein the second client bank subsystem processor and the provider bank subsystem processor operate to effectuate low value payments in response to instructions from the second client bank

The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 10. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 10.

**11. Dependent Claim 11 is Separately Patentable**

Claim 11 is separately patentable because Debonnett fails to disclose a system "wherein the payment instruction from the client bank relates to a high value payment and wherein the provider bank subsystem processor is further coupled to a high value clearing system, the provider bank subsystem processor communicating the high value payment to the high value clearing system." as recited in claim 11. The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 11. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 11.

**12. Dependent Claim 12 is Separately Patentable**

Claim 12 is separately patentable because Debonnett fails to disclose a system “wherein the high value clearing system is selected from the group consisting of a Real-Time Gross Settlement system, a Multi-Lateral Net Settlement system, European Banking Association Euro clearing system, and the Trans-European Automated Real-time Gross settlement Express Transfer system” as recited in claim 12. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 12. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 12.

**13. Dependent Claim 13 is Separately Patentable**

Claim 13 is separately patentable because Debonnett fails to disclose a system “wherein the provider bank subsystem processor further performs a foreign exchange operation with respect to the high value payment prior to communicating the high value payment to the high value clearing system” as recited in claim 13. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 13. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 13.

**14. Dependent Claim 14 is Separately Patentable**

Claim 14 is separately patentable because Debonnett fails to disclose a system “wherein the provider bank provides liquidity management services with respect to the plurality of customer accounts” as recited in claim 14. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 14. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 14.

**15. Dependent Claim 15 is Separately Patentable**

Claim 15 is separately patentable because Debonnett fails to disclose a system “wherein the liquidity management services includes account balance sweeping” as recited in claim 15. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 15. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 15.

**16. Dependent Claim 16 is Separately Patentable**

Claim 16 is separately patentable because Debonnett fails to disclose a system “wherein the account balance sweeping is zero balance sweeping” as recited in claim 16. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 16. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 16.

**17. Dependent Claim 17 is Separately Patentable**

Claim 17 is separately patentable because Debonnett fails to disclose a system “wherein the account balance sweeping is target balance sweeping” as recited in claim 17. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 17. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 17.

**18. Dependent Claim 18 is Separately Patentable**

Claim 18 is separately patentable because Debonnett fails to disclose a system “wherein the liquidity management services includes account pooling” as recited in claim 18. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 18. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 18.

**19. Dependent Claim 46 is Separately Patentable**

Claim 46 is separately patentable because Debonnett fails to disclose a method “wherein the low value payment is for less than 50,000 United States dollars” as recited in claim 46. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 46. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 46.

**20. Dependent Claim 47 is Separately Patentable**

Claim 47 is separately patentable because Debonnett fails to disclose a method “wherein the low value payment system comprises a international Automated Clearing House (ACH) system” as recited in claim 47. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 47. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 47.

**21. Dependent Claim 48 is Separately Patentable**

Claim 48 is separately patentable because Debonnett fails to disclose a method “wherein the low value payment system comprises a GIRO system” as recited in claim 48. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 48. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 48.

**22. Dependent Claim 49 is Separately Patentable**

Claim 49 is separately patentable because Debonnett fails to disclose as recited in claim 49:

wherein the step of transmitting the low value payment to the low value payment system in the particular country further comprises transmitting the low value payment to a local branch of the



provider bank in the particular country, wherein the local branch transmits the low value payment to the low value payment system

The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 1. Additionally, Debonnett fails to disclose each and every element of claim 49. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 49.

**23. Dependent Claim 50 is Separately Patentable**

Claim 50 is separately patentable because Debonnett fails to disclose a method "wherein the step of transmitting the low value payment to the low value payment system in the particular country further comprises transmitting the low value payment to a correspondent bank in the particular country, wherein the local correspondent bank transmits the low value payment to the low value payment system" as recited in claim 50. The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 50. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 50.

**24. Dependent Claim 51 is Separately Patentable**

Claim 51 is separately patentable because Debonnett fails to disclose a method including "transmitting a payment file from the client bank to a gateway processor, the payment file containing a plurality of payment instructions; separating, in the gateway processor, the plurality of payment instructions from the payment file; and communicating the separated payment instructions to the client bank subsystem " as recited in claim 51. The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 51. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 51.

**25. Dependent Claim 52 is Separately Patentable**

Claim 52 is separately patentable because Debonnett fails to disclose as recited in claim

52:

establishing a second client bank subsystem within the provider bank; and establishing a second plurality of customer accounts corresponding to the second plurality of customers of the second client bank; wherein the second client bank subsystem and the provider bank subsystem operate to effectuate low value payments in response to instructions from the second client bank

The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 52. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 52.

**26. Dependent Claim 53 is Separately Patentable**

Claim 53 is separately patentable because Debonnett fails to disclose a method "wherein the payment instruction from the client bank relates to a high value payment, the method further comprising communicating the high value payment to a high value clearing system" as recited in claim 53. The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 53. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 53.

**27. Dependent Claim 54 is Separately Patentable**

Claim 54 is separately patentable because Debonnett fails to disclose "performing a foreign exchange operation with respect to the high value payment prior to communicating the high value payment to the high value clearing system" as recited in claim 54. The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 45.

Additionally, Debonnett fails to disclose each and every element of claim 54. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 54.

**28. Dependent Claim 55 is Separately Patentable**

Claim 55 is separately patentable because Debonnett fails to disclose "performing liquidity management services with respect to the plurality of customer accounts" as recited in claim 55. The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 55. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 55.

**29. Dependent Claim 56 is Separately Patentable**

Claim 56 is separately patentable because Debonnett fails to disclose a method "wherein the step of performing liquidity management services further comprises performing account balance sweeping" as recited in claim 56. The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 56. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 56.

**30. Dependent Claim 57 is Separately Patentable**

Claim 57 is separately patentable because Debonnett fails to disclose a method "wherein step of account balance sweeping further comprises performing zero balance sweeping" as recited in claim 57. The Office's rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 45. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 45.

**31. Dependent Claim 58 is Separately Patentable**

Claim 58 is separately patentable because Debonnett fails to disclose a method “wherein the step of account balance sweeping further comprises performing target balance sweeping” as recited in claim 58. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 58. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 58.

**32. Dependent Claim 59 is Separately Patentable**

Claim 59 is separately patentable because Debonnett fails to disclose a method “wherein the step of performing liquidity management services further comprises performing account pooling” as recited in claim 59. The Office’s rejection of this claim is improper for the reasons set forth above with respect to claim 45. Additionally, Debonnett fails to disclose each and every element of claim 59. Furthermore, the Office has failed to provide a proper statement of motivation with respect to claim 59.


**VIII. Conclusion**

Because the cited reference fails to disclose or render obvious all features set forth in the pending claims, Appellants submit that the pending claims are allowable over the cited reference. Accordingly, Appellants respectfully request that the Board reverse the prior art rejections set forth in the Action. Authorization is hereby granted to charge or credit the undersigned's Deposit Account No. 50-0206 for any fees or overpayments related to the entry of this Appeal Brief.

Respectfully submitted,

Date: May 27, 2008

By:

  
\_\_\_\_\_  
Yisun Song  
Registration No. 44,487

Hunton & Williams LLP  
1900 K Street, N.W., Suite 1200  
Washington, D.C. 20006-1109  
Telephone (202) 955-1500  
Facsimile (202) 778-2201

**IX. Claims Appendix**

Claims 19-44 and 60-62 are cancelled. Claims 1-18 and 45-59 are currently pending and subject to this appeal.

1. (Previously Presented) A system by which a provider bank effectuates international banking transactions for a plurality of customers of a client bank, the system comprising:

a client bank subsystem established within the provider bank, the client bank subsystem comprising:

a plurality of customer accounts corresponding to the plurality of customers of the client bank, and

a client bank subsystem processor coupled to the plurality of customer accounts and coupled to the client bank, the client bank subsystem processor receiving a payment instruction from the client bank related to a low value payment in a particular country requested by a particular customer of the client bank, the client bank subsystem processor debiting the customer account of the particular customer and generating the low value payment in response to the payment instruction from the client bank; and

a provider bank subsystem established within the provider bank, the provider bank subsystem comprising:

a provider bank subsystem processor coupled to the client bank subsystem processor and coupled to a low value payment system in the particular country, the provider bank subsystem processor receiving the low value payment from the client bank subsystem processor and transmitting the low value payment to the low value payment system in the particular country, whereby the particular customer of the client bank can make the low value payment

even though the client bank does not have direct access to the low value payment system in the particular country.

2. (Original) The system as recited in claim 1, wherein the low value payment is for less than 50,000 United States dollars.

3. (Original) The system as recited in claim 1, wherein the low value payment system comprises a international Automated Clearing House (ACH) system.

4. (Original) The system as recited in claim 1, wherein the low value payment system comprises a GIRO system.

5. (Previously Presented) The system as recited in claim 1, further comprising a local branch of the provider bank in the particular country, wherein the provider bank subsystem processor is coupled to the low value payment system through the local branch.

6. (Previously Presented) The system as recited in claim 1, wherein the provider bank subsystem processor is coupled to the low value payment system through a correspondent bank in the particular country.

7. (Previously Presented) The system as recited in claim 1, further comprising a gateway processor coupled to the client bank and coupled to the client bank subsystem processor, wherein the client bank transmits a payment file to the gateway processor, the payment file containing a plurality of payment instructions, and wherein the gateway processor separates the plurality of payment instructions from the payment file and communicates the separated payment instructions to the client bank subsystem processor.

8. (Original) The system as recited in claim 7, wherein the plurality of payment instructions relate to more than one of the plurality of customers of the client bank.

9. (Original) The system as recited in claim 7, wherein the payment file is encrypted.

10. (Previously Presented) The system as recited in claim 1, wherein there is a second client bank having a second plurality of customers, the system further comprising:

a second client bank subsystem established within the provider bank, the second client bank subsystem comprising:

a second plurality of customer accounts corresponding to the second plurality of customers of the second client bank, and a second client bank subsystem processor coupled to the second plurality of customer accounts, coupled to the second client bank and coupled to the provider bank subsystem processor, wherein the second client bank subsystem processor and the provider bank subsystem processor operate to effectuate low value payments in response to instructions from the second client bank.

11. (Previously Presented) The system as recited in claim 1, wherein the payment instruction from the client bank relates to a high value payment and wherein the provider bank subsystem processor is further coupled to a high value clearing system, the provider bank subsystem processor communicating the high value payment to the high value clearing system.

12. (Original) The system as recited in claim 11, wherein the high value clearing system is selected from the group consisting of a Real-Time Gross Settlement system, a Multi-Lateral Net Settlement system, European Banking Association Euro clearing system, and the Trans-European Automated Real-time Gross settlement Express Transfer system.

13. (Previously Presented) The system as recited in claim 11, wherein the provider bank subsystem processor further performs a foreign exchange operation with respect to



the high value payment prior to communicating the high value payment to the high value clearing system.

14. (Original) The system as recited in claim 1, wherein the provider bank provides liquidity management services with respect to the plurality of customer accounts.

15. (Original) The system as recited in claim 14, wherein the liquidity management services includes account balance sweeping.

16. (Original) The system as recited in claim 15, wherein the account balance sweeping is zero balance sweeping.

17. (Original) The system as recited in claim 15, wherein the account balance sweeping is target balance sweeping.

18. (Original) The system as recited in claim 14, wherein the liquidity management services includes account pooling.

Claims 19-44 (Canceled)

45. (Previously Presented) A method by which a provider bank effectuates international banking transactions for a plurality of customers of a client bank, the method comprising:

establishing a client bank subsystem within the provider bank;

establishing a plurality of customer accounts within the client bank subsystem, the plurality of customer accounts corresponding to the plurality of customers of the client bank;

receiving a payment instruction from the client bank related to a low value payment in a particular country requested by a particular customer of the client bank;

debiting the customer account of the particular customer;  
generating the low value payment in response to the payment instruction from the client bank

establishing a provider bank subsystem within the provider bank;  
receiving the low value payment from the client bank subsystem;  
transmitting the low value payment to the low value payment system in the particular country, whereby the particular customer of the client bank can make the low value payment even though the client bank does not have direct access to the low value payment system in the particular country.

46. (Original) The method as recited in claim 45, wherein the low value payment is for less than 50,000 United States dollars.

47. (Original) The method as recited in claim 45, wherein the low value payment system comprises a international Automated Clearing House (ACH) system.

48. (Original) The method as recited in claim 45, wherein the low value payment system comprises a GIRO system.

49. (Original) The method as recited in claim 1, wherein the step of transmitting the low value payment to the low value payment system in the particular country further comprises transmitting the low value payment to a local branch of the provider bank in the particular country, wherein the local branch transmits the low value payment to the low value payment system.

50. (Original) The method as recited in claim 45, wherein the step of transmitting the low value payment to the low value payment system in the particular country further comprises transmitting the low value payment to a correspondent bank in the particular country,

wherein the local correspondent bank transmits the low value payment to the low value payment system.

51. (Previously Presented) The method as recited in claim 45, further comprising:  
transmitting a payment file from the client bank to a gateway processor, the payment file containing a plurality of payment instructions;  
separating, in the gateway processor, the plurality of payment instructions from the payment file; and  
communicating the separated payment instructions to the client bank subsystem.

52. (Previously Presented) The method as recited in claim 45, wherein there is a second client bank having a second plurality of customers, the method further comprising:  
establishing a second client bank subsystem within the provider bank; and  
establishing a second plurality of customer accounts corresponding to the second plurality of customers of the second client bank;  
wherein the second client bank subsystem and the provider bank subsystem operate to effectuate low value payments in response to instructions from the second client bank.

53. (Original) The method as recited in claim 45, wherein the payment instruction from the client bank relates to a high value payment, the method further comprising communicating the high value payment to a high value clearing system.

54. (Original) The method as recited in claim 53, further comprising performing a foreign exchange operation with respect to the high value payment prior to communicating the high value payment to the high value clearing system.

55. (Original) The method as recited in claim 45, further comprising performing liquidity management services with respect to the plurality of customer accounts.

56. (Original) The method as recited in claim 55, wherein the step of performing liquidity management services further comprises performing account balance sweeping.

57. (Original) The method as recited in claim 56, wherein step of account balance sweeping further comprises performing zero balance sweeping.

58. (Original) The method as recited in claim 56, wherein the step of account balance sweeping further comprises performing target balance sweeping.

59. (Original) The method as recited in claim 55, wherein the step of performing liquidity management services further comprises performing account pooling.

Claims 60-62 (Canceled).

**X. Evidence Appendix**

U.S. Provisional Patent Application 60/168,888 as filed by Allison Debonnett on

December 3, 1999

12-6-99

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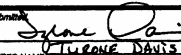
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This is a request for filing a PROVISIONAL APPLICATION FOR PATENT under 37 CFR 1.53 (c).

INVENTOR(S)			
Given Name (first and middle (if any))	Family Name or Surname	Residence (City and either State or Foreign Country)	
ALLISON	De Bonnet	4562 Province Town Dr. Country Club Hills, IL 60479	
<input type="checkbox"/> Additional inventors are being named on the _____ separately numbered sheets attached hereto			
TITLE OF THE INVENTION (250 characters max)			
CyberMoney Network			
Direct all correspondence to: CORRESPONDENCE ADDRESS			
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ENCLOSED APPLICATION PARTS (check all that apply)			
<input checked="" type="checkbox"/> Specification Number of Pages	<input type="checkbox"/> Small Entity Statement		
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The invention was made by an agency of the United States Government or under a contract with an agency of the United States Government.			
<input type="checkbox"/> No. <input type="checkbox"/> Yes, the name of the U.S. Government agency and the Government contract number are: _____			

Respectfully submitted

SIGNATURE



Date 12/03/99

TYPED or PRINTED NAME

CYRENE DAVIS

REGISTRATION NO.

34809

(If appropriate)

Docket Number:

TELEPHONE

312/857-1997

**USE ONLY FOR FILING A PROVISIONAL APPLICATION FOR PATENT**

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**(37 CFR 1.9(f) & 1.27(c))—SMALL BUSINESS CONCERN**

Docket Number (Optional)

Applicant, Patentee, or Identifier: ALLISON DeBonnett  
 Application or Patent No.: \_\_\_\_\_  
 Filed or issued: \_\_\_\_\_  
 Title: Cyber Money Network

I hereby state that I am  
☐ the owner of the small business concern identified below;  
☒ an official of the small business concern empowered to act on behalf of the concern identified below.

NAME OF SMALL BUSINESS CONCERN International Cyberbanque, LTD

ADDRESS OF SMALL BUSINESS CONCERN 47 West Polk Street, Ste 100-266  
Chicago, ILLINOIS 60605

I hereby state that the above identified small business concern qualifies as a small business concern as defined in 13 CFR Part 121 for purposes of paying reduced fees to the United States Patent and Trademark Office, in that the number of employees of the concern, including those of its affiliates, does not exceed 500 persons. For purposes of this statement, (1) the number of employees of the business concern is the average over the previous fiscal year of the concern of the persons employed on a full-time, part-time, or temporary basis during each of the pay periods of the fiscal year, and (2) corporations are affiliates of each other when either, directly or indirectly, one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both.

I hereby state that rights under contract or law have been conveyed to and remain with the small business concern identified above with regard to the invention described in:

- ☒ the specification filed herewith with title as listed above.  
☐ the application identified above.  
☐ the patent identified above.

If the rights held by the above identified small business concern are not exclusive, each individual, concern, or organization having rights in the invention must file separate statements as to their status as small entities, and no rights to the invention are held by any person, other than the inventor, who would not qualify as an independent inventor under 37 CFR 1.9(c) if that person made the invention, or by any concern which would not qualify as a small business concern under 37 CFR 1.9(d), or a nonprofit organization under 37 CFR 1.9(e).

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☒ no such person, concern, or organization exists.  
☐ each such person, concern, or organization is listed below.

Separate statements are required from each named person, concern or organization having rights to the invention stating their status as small entities. (37 CFR 1.27)

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NAME OF PERSON SIGNING ALLISON DeBonnett  
 TITLE OF PERSON IF OTHER THAN OWNER Director  
 ADDRESS OF PERSON SIGNING 47 West Polk Street, Chicago IL 60605  
 SIGNATURE [Signature] DATE 12/03/99

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### The Competition

Considered competitors for online financial transaction include commercial banks, online credit card/smartcard systems and new hybrids of traditional payment systems. These systems include CyberCash, Inc., Checkfree.Com, Infodial Internet checks, Digital Equipment Corp's Millicent and DigiCash, Inc.'s eCash. These companies require an end user subscription to use their services. The companies facilitate electronic fund transfer from a user's checking account to a merchant's account based upon schedule designations or per transaction. However, no company's product is predicated on the design of the banking industry's system infrastructure. They are proprietary in design and application.

CyberCash has a product called AgileWallet that acts as a repository for customer financial profile data when making web purchases. They also provide products for merchant clearinghouse functions. Infodial's transaction system permits users to authorize merchants to print check drafts for purchases made online. The DigiCash eCash system attempts to replicate currency and is a totally proprietary system. Under its system, DigiCash users withdraw funds from a bank account and convert the funds to eCash. The systems require two eCash users and only servers running the DigiCash server can convert eCash back to regular currency. Because of this inherent weakness and the proprietary nature of the systems design, DigiCash has since left the market.

All of these systems attempt to address payment for goods and services on the Internet through replicating the traditional payment systems. They attempt to incorporate currency or payment conversion. This will not be successful if banks and merchants do not accept these proposed standards of payment. The marketplace must accept using them and online merchants are willing to provide customers the option for payment by means of their systems. To overcome this obstacle, we propose strategic channel partnership integration strategy, taking into account the internal banking system infrastructure. This seamless integration strategy gives us a key strategic advantage over the other e-commerce payment systems. Even if one or more of these companies pursues a similar strategy, how many other channel participants would follow such a strategy in order to remain competitive? There have been recent entries such as Beenz.com and Flooz.com. These sites seek to address gift certificate distribution and non-critical applications.

The International Cyberbanque, Ltd. strategy possesses the insight and vision for successful incorporation into the cyber marketplace. Besides, does not Visa, MasterCard, American Express, Discover, Diner's Club and other debit cards continue to remain profitable despite competition amongst themselves and other payment systems?

**Strategic Plan**

International Cyberbanque, Ltd. plans to develop Internet e-commerce transaction payment solutions for global merchant bank clientele and investment bank business clients. The solutions will facilitate and promote commerce and communication between businesses and their trading partners as well as between business and consumers. Specific products and services are will include:

- ▶ Development of a transaction processing topology and business model which, through the potential collaboration with (a) global commercial, merchant and investment banking firm(s), and (b) global e-commerce solution providers, will provide a branded, secure, easy to use, and preferred transaction settlement mechanism and currency conversion facilities for transactions conducted over the Internet
- ▶ Electronic commerce systems integration, which automate the receipt, processing and delivery of transaction data and other information, with other corporate software and computer-based applications,
- ▶ Internet-based financial communication application software that are capable of running on the Internet, written in languages such as Java, C++ and Visual Basic,
- ▶ Application interface development for Internet based payment system models that can co-exist with real-world payment systems outside of cyberspace.

The Company competes in the recent and highly competitive markets for Internet e-commerce products and services. To compete more effectively the Company plans to: a) expand and develop industry-specific expertise both through internal development and through acquisition, b) attract and retain key management, c) leverage relationships with large financial services firms, the investment community, and information technology consulting firms, and d) increase repeat and recurring revenues.

Specifically, Cyberbanque' strategic initiatives include:

- Bundle products and services that cover the entire e-commerce payment spectrum
- Facilitate the development of a de facto standard e-commerce Internet "currency conversion model" with digital eWallet delivery, accompanying transaction topology and methodology
- Expand and develop of industry specific expertise
- Develop recurring, annuity type revenue streams
- Develop and expand core market client relationships
- Pursue disciplined company valuation and acquisition strategies with objective assessment of potential for successful integration
- Attract and retain a highly specialized, professional workforce
- Create strategic partnerships with financial service firms (commercial banks, investment banks and e-commerce solution providers) and IT application service providers

**Current Industry Products and Services**

To date, there are a handful of e-commerce transaction payment methods including:

- **Credit Cards** – currently the most prevalent method and typically used for retail consumer transactions. Most Internet retail web sites offer the consumer the choice of one or two major credit cards as a method for transaction settlement.
- **Invoice** – typically used for EDI and some consumer transactions where credit or payment history has been established. A hybrid of this method, usually found in EDI, includes electronic invoicing, approval and wire transfer for transaction settlement.
- **Ad Hoc** – other transactions including Internet-based auctions rely on the purchaser and seller to determine the method, place and timeframe for settling a transaction.
- **E-Commerce Specific** – several companies such as CyberCash, DigiCash, Magex and Boenz have tried or are trying to establish themselves as a convenient, secure transaction payment and services methodology.

**Proposed Products and Services**

The Company believes that a “full-service” Internet transaction payment and services company has yet to be developed. Cyberbanque plans to more fully explore the development of a broad offering of e-commerce products and services that may potentially include:

1. **Consumer Transaction Processing** – essentially the creation and maintenance of a standardized medium of online eCommerce *CyberMoney*<sup>TM</sup> accounts, for payment of goods and services purchased over the Internet.

Despite the present use of traditional currency, credit cards, debit/smart cards and hybrid Internet payment systems DigiCash and CyberCash, Cyberbanque proposes a unique and radical approach to facilitate the optimum use of the Internet and e-commerce. The Company proposes creation of a system of online *CyberMoney*<sup>TM</sup> accounts, used solely online, for goods and services purchased, viewed and delivered online, throughout the world. Furthermore, this medium of cyber-tender may become a standard of payment exchange by means of an internationally accepted cyber-exchange system called the *CyberMoney*<sup>TM</sup> Exchange Network.

Currently, consumers wishing to transact business with retail vendors via its web-site need to enter personal credit card and mailing information for transaction settlement and delivery.

This information is typically stored with the specific vendor facilitating the ease of future transactions with that specific vendor. E-commerce is inhibited by the time involved for a consumer to establish the transaction process with each retailer's web-site. Additionally, many consumers are reluctant to transmit personal information (including credit card, banking, residence, etc.) electronically without the knowledge that it is secure. Even with the advent of eWallet technology, there will be many different types of eWallets that will be able to efficiently distribute *CyberMoney*<sup>TM</sup> technology to the marketplace.

E-commerce transactions would be more consumer and vendor-friendly by the establishment of a standard payment system that:

- Provides for secure transaction exchanges via a branded, trusted company
- Allows for one-time set-up of customer information within a secure merchant banking relationship, that can be referenced by all retail vendors in transaction settlement
- Provides for client credit verification for web and brick & mortar merchants
- Potentially establishes *CyberMoney*™ as a global *de facto* standard "currency conversion model" for denominating e-commerce transactions across all continents

2. **Digital Encryption Envelopes** – essentially, provides intellectual property right owners the ability to generate micro-revenues efficiently. Currently, much of the content information on the Internet is freely provided due to the inability of the Internet to regulate and efficiently collect revenues for use of digital intellectual properties. Cyberbanque envisions the potential for a retailer placing information – a digital movie, MP3 file, novel, etc. – in an encrypted envelope provided by a division of Cyberbanque. A consumer could then download the encrypted product (secured in a proprietary Cyberbanque "digital envelope") and access the information only when paying a few cents for it from his *CyberMoney*™ account. Through *CyberMoney*™ accounts and secure, digital encrypted envelopes, Cyberbanque will be able to efficiently handle micro-transactions of a few cents each and will enable content creators who used to give their products away on-line to charge money for them. Additionally, Cyberbanque may offer per-transaction insurance, further assuring a secure transaction cycle.

3. **Cyber-Currency Exchange** – essentially a currency converter. While not a commercial bank, Cyberbanque can convert many mediums of currency into *CyberMoney*™ accounts, based upon daily international currency exchange rates.

4. **High Denomination Clearinghouse** - essentially a new paradigm enabled by e-commerce revolving around the necessity for absolute privacy and security in transacting high volume and high denominational transmission of currency. Cyberbanque could potentially function as a clearinghouse between high-denominational transaction user and host destination of financial product transfer. The data transfer stream shall be encrypted from end to end, invisible even to the *CyberMoney*™ Clearinghouse Network. This security will be enabled by means of a hybrid of Secure Socket Layer and Secure Electronic Transfer technology. Audit trails are maintained by user and host destination only.

The existence of virtual private networks (VPNs) provide dedicated and secure means of transmitting data; but is limited to the hard-wired network channel users and proprietary, non-open architecture topologies. Traditional electronic funds transfer (EFTs) channels have severe limitations due to privacy intrusion by governmental reporting requirements,

antiquated transmission mediums and the lack of transmission channel selections. Moreover, the recent U.S. government's initiative called "Know your Customer", requires banks to scrutinize and delve into customer transactions more closely. This supersedes the Bank Secrecy Act of 1970's mandates for banks to report any transaction over \$10,000 dollars and to report any "suspicious" activity to a federal database. Privacy is further eroded by the Fair Credit Reporting Act providing for the sharing of customer loan applications and credit report information between bank affiliates. Customer account balances, maturity dates of certificate of deposits and loan payment history could be sold to third parties without the customer's knowledge.

In today's climate of financial volatility and prosperity, there exist a clear demand for limited intrusion by governmental bodies, rapid, secure and private transmission of financial transactions. Management feels that there is a growing market for such a transparent transaction network.

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**Corporate Strategy**

To date, International Cyberbanque, Ltd., has secured numerous Internet domains, and intellectual property rights to key strategic trademarks. The marks provide strong brand appeal and strategic market mind-share potential. In addition, company principles have engaged in more than three years of due diligence and research in all aspects of this paradigm. As a result of this extensive research, International Cyberbanque has identified and assimilated viable technology applications and will implement a strategy that will address two related market opportunities.

International Cyberbanque, Ltd., will first and foremost forge a strategic partnerships with a global commercial/merchant bank with an international clientele and global time zone coverage. These tier 1 relationships will enable the efficient extension of credit facilities and seamless account reconciliation. This alliance will insure a successful implementation of *CyberMoney™* accounts through an extension of credit to worthy business customers with established merchant accounts. Secondly, International Cyberbanque, Ltd., will secure a relationship with a global investment bank containing substantial market prominence. This relationship will fulfill a great opportunity and need of investment banking clients to utilize cash management and brokerage accounts for payment of goods and services over the Internet. The commercial banks and the investment bank will benefit greatly by developing strong brand identity with a standard amongst Internet payment systems, thus broadening their client base immensely.

Utilizing the client base of strategic channel partners, International Cyberbanque, Ltd., will secure substantial market presence and acceptance. The full scope of this secure cyber-system will be strategically positioned within the e-Commerce space and financial services marketplace by also forging key alliances with e-Commerce solution providers. Management feels that, through its business relationships, it can be successful in attracting key strategic financial service industry leaders as client-partners.

Cyberbanque has held discussions with some of the Financial Services, Banking, and IT industry most knowledgeable and experienced individuals regarding the direction of and opportunities within the e-commerce industry. Among others, these individuals include: IBM's top executive in the area of secure virtual networks; Cisco Systems' chief architect of the IT infrastructure for one of the first commercial banks to go the Internet; Microsoft channel partners responsible for internet application development for Fortune 500 companies; and FDIC senior bank examiners and officials.

Specifically, Cyberbanque's strategy for development of value-added e-commerce products and services is as follows:

1. Complete business strategy and Private Placement processes
2. Complete a working prototype of the Cyberbanque's *CyberMoney™* customer experience
3. Secure partnership relationship with international commercial bank
4. Secure partnership relationship with international investment bank
5. Fill Key Management positions
6. Continue system scope and development parameters of *CyberMoney™* Network

7. Potentially acquire or license necessary proprietary technology
8. Identify and market Cyberbanque as a "e-commerce solution one-stop shopping solution to large, online financial service firms and strategic e-commerce solution providers.

Revenues will be derived from several sources:

- **License and subscription revenues** from channel partners looking to utilize Cyberbanque e-commerce solutions as a syndicate member or as a "private label"
- **Per transaction revenues** from each transaction generated using Cyberbanque e-commerce solutions
- **Database Licensing revenues** arising from demographic and other data stored in its consumer and vendor data warehouses
- **Subscription fees** from Cyberbanque *CyberMoney*™ account holders
- **Insurance fees** charged for transactions involving goods and some services

Additionally, revenue from web-page impression advertising may be implemented.

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**Organizational Structure**

International Cyberbanque, Ltd. will be subdivided into 5, yet cohesive mission units. The first unit will consist of the *CyberMoney*™ Exchange Network support team. This unit will be responsible for the management of the operation and customer service for *CyberMoney*™ Network business-to-business and business-to-consumer market.

The second unit will be responsible for the *CyberMoney*™ Clearinghouse Network whereby high denominational transactions and service require the utmost attention to detail and discretion. Both of these revenue generation units will be supported by three corporate operation units.

Third, the Cyberbanque eCommerce Marketing Organization will handle marketing and advertising of Cyberbanque *CyberMoney*™ Network products and services.

Fourth, the Cyberbanque IS/IT Organization will be responsible for the operation of all systems and application architecture as well as network operations.

Finally, the Cyberbanque Business Organization will oversee all other corporate enterprise functionality. Each one of these units will have separate functions that may overlap.

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**Phases of System Development:**

The International Cyberbanque *CyberMoney*™ Network system development is apportioned into 16 phases, depending upon present system module development. The project life cycle will be as follows:

- a) Project Scope Specifications
- b) Financial Channel Partner Systems Infrastructure Analysis
- c) Systems Security Topology Development
- d) Network Architecture Scope and Design
- e) *CyberMoney*™ e-commerce Network Merchant/Vendor Information System Design
- f) *CyberMoney*™ e-Commerce Network Retail Customer Information System Design
- g) *CyberMoney*™ e-commerce Network Financial Channel Host Information System Design
- h) *CyberMoney*™ e-commerce Network Institutional Channel Partner Information System Design
- i) *CyberMoney*™ Exchange System Design
- j) *CyberMoney*™ Clearinghouse System Design
- k) Application Testing
- l) Full System Testing
- m) Quality Assurance Testing
- n) Market Testing
- o) System Delivery
- p) Market Acceptance Monitoring

Ongoing relationship management and monitoring will commence after full systems implementation and delivery.

Advantages of Cyberbanque CyberMoney™ e-commerce

E-Commerce will lead to: customers buying more products and services, greater access to products and services online, reduced reliance on customer service departments, reduced use of banks and bank ATM's. Additionally, e-commerce reduces service and operational costs. E-commerce allows for high market penetration and retention of core market clients. Presently, there are few market players. Management intends to build the CyberMoney™ brand to retain a strong brand identity and profile.

In turn, this will lead to an increase in average profitability per customer from progressive market acceptance and an increase in the number of online users. Currently, there is little to no regulation and taxation of Internet e-commerce. Standards are being set and refined daily and dynamically.

According to numerous publications and authoritative experts, it is the world market that drives the direction of the Internet. We are addressing the marketplaces' desire for a strong solution in E-Commerce payment system delivery. In addition, we will be able to seamlessly absorb any proposed taxation strategy by effective monitoring of all prospective taxation models. The CyberMoney™ e-Commerce Network will be online in the year 2000, within a marketplace of more than 35 million users. We look to position our brand in such a manner as to become a standard amongst payment systems, looking towards the year 2010, with more than 500 million users online worldwide.

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**Cyberbanque CyberMoney™ System Framework****Why International Cyberbanque CyberMoney™**

1. Improved accuracy
2. Reduced operating cost
3. Increased revenue
4. Superior security for companies, customers and channel partners
5. Customer satisfaction greatly improves

**System Service Framework**

1. Commerce servers/engines
2. Commerce vendor and customer enabling services
3. Enabling infrastructure system
4. Customer satisfaction/problem resolution system

**Application Framework**

1. Application interface for commerce developed on an Oracle platform utilizing Oracle tool sets or canned applications to reduce costs of developing and leverage vendor competencies
2. Network platform on a Unix box for flexibility in architecture scalability
3. Gain vendor experience through core competencies within certain market industries
4. Risk reduction through Oracle development standardization
5. Global support for Secure Socket Layer security protocol

**System Topology**

1. Cyberbanque encrypted Intranet server for CyberMoney™ Exchange Network security digital keys or certificates maintenance
2. Cyberbanque encrypted Intranet server for CyberMoney™ Clearinghouse Network security digital keys or certificates maintenance
3. Cyberbanque extranet of strategic vendor/channel partner cyber-channels sites
4. Cyberbanque front-end Internet server for initial customer interface
5. Cyberbanque back-end encrypted secure Internet server for e-commerce transactions
6. Cyberbanque back-end encrypted secure Internet server for financial transactions

**Key Strategic System Issues**

1. Utilize standardized network configurations and infrastructure
2. Develop hybrid security protocol utilizing Secure Socket Layer and Secure Electronic Transaction security protocols



**Overall System and Application Architecture****System Architecture**

1. Interface and data conversion problems prevent optimum historical data utilization
2. IP Network protocol (TCP/IP)
3. Enabling Technologies, middleware (object-oriented),
4. Security Foundation Technologies (Secure Socket Layer and Secure Electronic Transfer protocol)

**Application Architecture**

1. System scalability
2. Two or more identical and geographically separated sites (redundancy)
3. Multiple machines at each level for reliability and load sharing/growth
4. Availability
  - No single point of failure
  - Multiple ISPs and multiple connections
  - Script bases regression testing for updates;
  - All previous system fixes and corrections should be placed in a file for system and application testing replication of future releases,
  - Staged installs of new releases,
  - Early warning feedback from customer service centers

**Web Site Design**

1. Business driven
2. Simple design, yet most effective
3. Flat navigation with minimal clicks
4. Consistent navigation and wording
5. Usability testing is vital
6. No JAVA on client side to allow user system flexibility
7. Maximum page size
8. Maximum number of objects per page
9. One navigation image with client side image map in lieu of many small buttons
10. One big object is most effective
11. No horizontal scrolling on standard window,
12. No frames or Java
13. Javascript only for optional features
14. Maximum transfer or download time should be specified for a typical 28.8 modem



### Overall System and Application Architecture cont.

### **Capacity and Performance Plan For Success**

1. System performance reports
  - Marketing growth forecast
  - QA stress test
  - Operational system monitoring
  - Internet monitoring service (Keynote)
  - Internet monitoring tools (INS, VitalSuite)
2. Anticipatory upgrades to system
3. Application repair and revision schedule
4. Operations Management
5. Systems management in addition to network management (Tivoli, Unicenter, HP Openview)

## Internet Traffic Issues

1. Research optimum inter-ISP traffic exchange at congestion points (MAE East)
2. Identify viable Metropolitan Area Exchanges (MAE)
3. Identify viable and optimum Network Access Points (NAPS)
4. Develop optimum Private Network Points
5. Domain Name Server for IP address conversion, performance critical

## How to Improve Operational Performance

1. Multiple ISPs into multiple data centers
2. Hosting Services
3. Acceleration technology
4. Promoting Peering among ISPs
5. Placing multiple servers

**System Security Overview****Balancing Security and Risk**

1. Balancing the probable loss of data
2. Data priority classification
3. Customer Authentication (new customer, returning customer)
  - Credit bureaus, third party databases, assets on deposit to immediate grant credit
  - Using (Total Systems, CDBinfo Tek)
4. Use of tokens and smart cards
5. Client side digital certificates (bad for consumers, good for business to business)
6. Authorization
7. Encryption (secure socket layer, secure electronic transfer, hybrid of SSL and SET)
8. Auditing, (web logs, application logs, intrusion logs)
9. Data security (internal and external firewalls)

**\*\*\*Key Facts \*\*\***

- Check fraud in 1995 totaled over 14 billion dollars
- Fraud on Internet channel banking is nil (With auditing logs)
- Security should be viewed end-to end, top-down and from bottom-up (from customer to host vendor)

**Server Security Protocols and Performance Issues**

1. Secure Socket Layer (SSL), optimum client-side security
2. Secure Electronic Transactions (SET), somewhat slow and uses many cryptography overlays
  - Visa/MasterCard Joint e-commerce standard
  - Identifies both merchant and customer
3. Performance, encryption slows servers
4. Key security issue, where to store security keys and digital certificates
5. Scalability
6. SSL slow, SET slower
7. Peak loads can overwhelm servers
8. Server throughput bottleneck (transaction per second)
9. Bandwidth and ISP congestion usually secondary
10. Peak loads during different periods of the day and the month and year.
11. Time to clear cues from peaks

**Security Performance Solutions**

1. Faster processors/CPUs
2. Multiple servers
3. Multiple processor systems
4. Cryptographic acceleration; cost effective when security is the bottleneck, but only if your application can handle it (nCipher's business)
5. Hardware with tamper-proof security protocols for storage of keys and digital certificates



## CORNERSTONE OF INTERNATIONAL CYBERBANQUE BUSINESS STRATEGY

The following business strategy is patterned after the success of the secondary insurance market, exemplified by the syndicate of re-insurers of primary life insurance policies. The 10 year goal and mission of the *CyberMoney*™ Network is to create the full extension of the *CyberMoney*™ Network system architecture predicated on the proliferation of *CyberMoney*™ accounts, throughout a syndicate of international commercial and investment bank affiliates. This strategy begins with a partnership alliance with an internationally positioned commercial banking center, in order to establish the initial *CyberMoney*™ Network. This banking center must contain essential elements for successful implementation and acceptance of the initial introduction to *CyberMoney*™ Network.

First, it must have a substantial merchant banking division, in order to optimize the necessary synergy between the *CyberMoney*™ Network customers and merchants. This will allow the complete control of the *CyberMoney*™ transactional money stream. No money leaves the system until withdrawals or transfers outside of the host commercial banking center.

The second essential requirement of the host commercial banking center will ensure complete and substantial success of *CyberMoney*™ implementation. It requires the existence of Associate Member Banking relationships with other domestic or foreign banks. These relationships will be the cornerstone of the underwriting system by which *CyberMoney*™ accounts will expand in its global acceptance. Through these relationships, a syndicate of international commercial banks will be able to underwrite the distribution of the *CyberMoney*™ Network throughout the world's eCommerce and brick & mortar financial systems.

To further ensure acceptance within the financial community of products and services, there must be an alliance forged with a global investment banking entity. This banking entity can exist within its financial conglomerate structure or as an independent entity. With the proliferation of cash management services within the investment banking industry, an alliance with such a concern and affiliate entities will complete the transactional reconciliation/payment model.

The trial relationship between International Cyberbanque, commercial banking and investment banking affiliates create the nucleus of a unique underwriting syndicate of *CyberMoney*™. Any inherent risk associated will be absorbed and hedged by members of the underwriting syndicate. Commercial and investment banking members will receive and share in the revenue streams from subscription fees, transaction fees, account management fees, insurance products and any other derivative product revenue. This can

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be enhanced through private labeling *CyberMoney*™ for international and regional associate syndicate members or marketing the *CyberMoney*™ brand exclusively.

International Cybertreasure will manage the operation of the *CyberMoney*™ Network and the transactional reconciliation between syndicate members and their customers. The primary financial channel partner commercial bank, investment bank and International Cybertreasure will share in the revenue from associate bank syndication subscription fees, transaction fees, and cash management facilities. Inevitably, complete global banking participation will exist in some limited or extended fashion.

The primary barrier to entry into this marketplace is the reality that first multi-national or global banking centers to implement this system will control a substantial market recognition and branding advantage. Even greater competitive advantages and dominance can be achieved through acquisition or merger with similar strategic competitors.

An analysis of competitors like CyberCash yields a distinct difference in product emphasis. Whereas, CyberCash product services revolve around their AgileWallet product, a repository for web customer's financial profile data used to make web-based purchases. Surely, *CyberMoney*™ accounts can exist within this repository and any other eWallet product. Other CyberCash products are centered on credit card clearinghouse services for web merchants and is in no way similar to the *CyberMoney*™ business model of e-Commerce payment and *CyberMoney*™ account underwriting. This was the shortcoming of the only other credible cyber-currency attempt in the form of DigiCash. They attempted to distribute a proprietary digital currency without regard to current commercial bank infrastructure models and support. In addition, no private branding ability existed within their business model, in order to replicate a successful underwriting strategy.

Presently, there exist a tremendous opportunity to implement a unique and innovative business model and strategy with clear purpose and decisive market need. That system is called The *CyberMoney*™ Network. The following value propositions denote key elements of *CyberMoney*™ application and functionality components. A comparative analysis highlights the attributes of the *CyberMoney*™ Network as compared to similar technological competitors.

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INTERNATIONAL CYBERBANQUE  
CYBERMONEY NETWORK  
VALUE PROPOSITION

GLOBAL BANKS	INVESTMENT BANKS	RETAIL CUSTOMERS	BUSINESS CUSTOMERS	MERCHANT/ VENDORS
Retail customers	Cash Management account customers	DDA account holders	Multi-national corporations	Web Merchants
Business customers	Trading account customers	Credit card holders	Domestic Corporations	Web Organizations
Merchant Bank Customers	Broker account holders	Mutual fund cash management account holders	Foreign Corporations	Web Services Corporations

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## VALUE PROPOSITION

COMMERCIAL  
BANK

- Increased retail accounts
- Increased merchant accounts
- Increased transaction fee income
- Increased interest income
- Insurance fee income (inherent and external coverage election)
- Management fees income
- Merchant service income
- Security
- Global market penetration through regional and global associate banks
- Currency spread income
- Continued use of money stream from customer to merchant
- Multi-language capable
- Multi-currency capable
- Efficient credit model re-enforced by debit model
- Private label underwriting and all benefits thereof

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## VALUE PROPOSITION

## INVESTMENT

BANK

- Increased accounts
- Increased merchant accounts
- Increased transaction fee income
- Interest income
- Management fees income
- Implementation of efficient credit model re-enforced by debit model
- Global acceptance
- Security
- Multi-currency capable
- Multi-language capable
- Private label underwriting and all benefits thereof

## RETAIL.

CUSTOMER

- Ease of use
- Convenience
- Internet/web based
- Low cost
- Security
- Global access to world marketplace
- Seamless currency conversion at low to no cost
- Multi-language capable
- Multi-currency capable
- No plastic card to carry

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**VALUE PROPOSITION****BUSINESS****CUSTOMER**

- Ease of use
- No VPNs necessary
- Substantially reduced transaction cost
- Currency devaluation hedge
- Transaction reconciliation
- Security
- Global access to world marketplace
- Seamless currency conversion at low to no cost
- Multi-language capable
- Multi-currency capable
- No plastic card to carry

**MERCHANT****VENDOR**

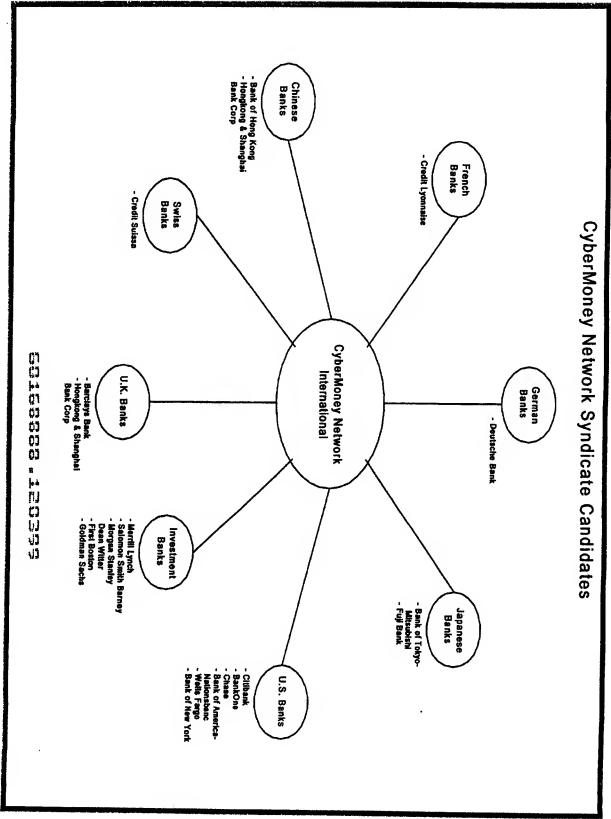
- Ease of use
- Security
- Global access to world marketplace
- Multi-currency
- Multi-language
- Broaden customer base and access
- Low cost of transaction
- Seamless reconciliation of accounts
- Reduced loss due to theft or fraud

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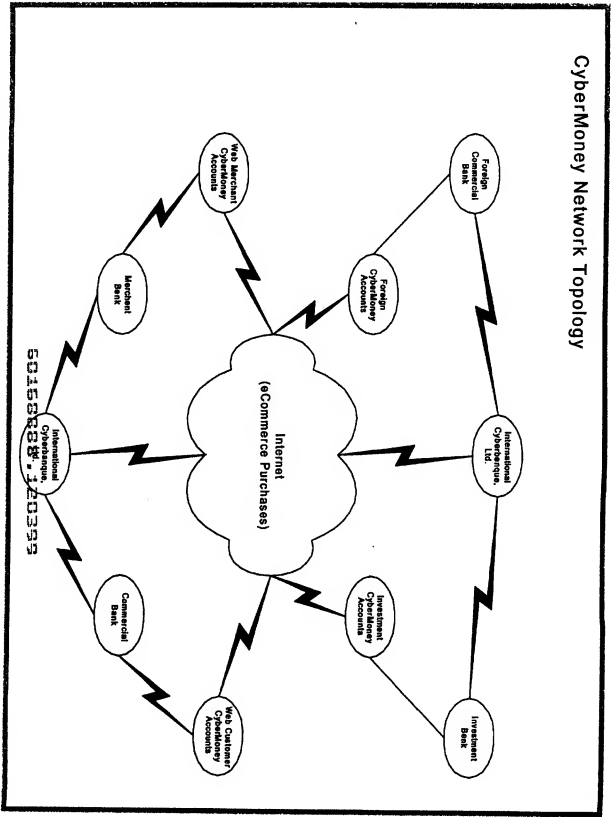
COMPARATIVE  
ANALYSIS

	CYBERMONEY	CYBERCASH	DIGICASH	CREDIT CARD
Form	Digital currency/certificate account	eWallet	Digital currency	Credit card
Model	Credit & debit model	No credit, possible debit model	No credit, debit model only	Credit, No debit except Annex
Location of media	Can reside on & off customer pc	Cannot reside off, resides on	Can reside on & off customer pc	Cannot reside off, resides on
Access method	Accessed by eWallet or from a digital currency account, by customer only.	Accessed via AggieWallet	DigiCash token or eWallet	Accessed via eWallet or by vendor, direct from customer input
Currency conversion	Dynamic currency conversion	No dynamic currency conversion	No dynamic currency conversion	No efficient conversion of currency
DDA/Cash Mgmt acct	Seamless integration w/DDA or cash mgmt accts	No known integration w/DDA or cash mgmt accts	No known integration w/DDA or cash mgmt accts	No known integration w/DDA or cash mgmt accts

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**XI. Related Proceedings Appendix**

None.